

Attracting and Retaining the Right Talent for the Federal 1102 Contracting Workforce

The Procurement Round Table is a nonprofit organization chartered in 1984 whose members promote a Federal acquisition system that delivers best value to the agency missions it serves and demonstrates high standards of integrity.

Prepared by the Procurement Round Table April 2006

- I. **PURPOSE:** The purpose of this paper is to suggest a vision, guiding principles, policies, and programs to address the need to attract and retain the right talent in the federal 1102 contracting workforce¹ on a government-wide basis.
- II. **BACKGROUND:** It is widely recognized that the contracting workforce of today is not keeping pace in quantity or quality with the growing demands of agency missions and policies to contract out a greater percentage of discretionary budgets. During the past five years, procurement obligations have increased 60 percent while appropriated budgets have increased 53 percent. During this same period, the procurement workforce declined by almost 5 percent.² In addition, there is ample anecdotal evidence that the quality of the workforce has diminished as well, despite decades of attempting to professionalize the workforce by requiring college degrees and training. Although we have many fine, well-trained, high-performing individuals in the contracting workforce, when asked whether today's workforce is generally better or worse than that of 10, 15, or 20 years ago, most of those in a position to know answer, "It is worse."

As federal agencies address the challenges of a dwindling cadre of trained acquisition professionals, particularly 1102 contracting personnel, they have an opportunity to shape the contracting workforce into a value-added entity that is fully embraced by the agency in addressing its strategic challenges.

The role of the contracting professional is shifting from conventional-process, risk-adverse contracting officer to results-oriented business advisor. This is more than just an elegant label. The traditional contracting officer fulfilled the organizational function of negotiating acquisition prices, reacting to the market's supply and managing its supplier base, but the business advisor is becoming an integral part of the federal agency's senior management. More than 60 percent of industry executives say that by 2015, their companies will have a chief procurement officer (CPO) who will report to the chief executive officer (CEO) and set a strategic course for purchasing company-wide.³

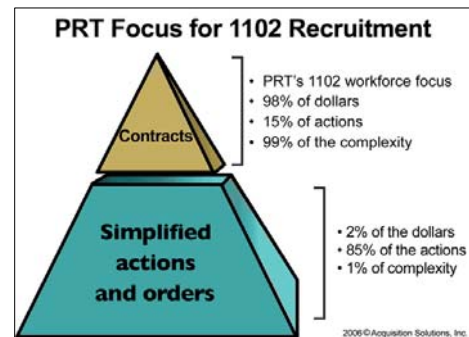
- III. **VISION FOR THE 1102 OF THE FUTURE:** The Procurement Round Table's vision for the contracting workforce is focused on the need to meet the increasing demands of the approximately 15 percent of agency contract actions that account for nearly all the procurement budget and complexity. This is the workforce that needs to be recruited,

¹ This focus of this paper is the contracting workforce, which we define as occupational series 1102 personnel. We use the term "procurement workforce" when referring to contracting, purchasing, and support personnel, i.e. series 1102, 1105, and 1106. We use the term "acquisition workforce" when referring to the larger workforce as defined by DoD and the Office of Federal Procurement Policy to include program officials as well as procurement personnel.

² The acquisition workforce numbers reflect the procurement series 1102, 1105, and 1106 from OPM's FedScope database. Discretionary budget information taken from The Budget for Fiscal Year 2006, Historical Table (Table 5.4 - Discretionary Budget Authority by Agency: 1976 – 2006). FY 00-03 procurement obligations taken from the Federal Procurement Report, and FY 04 procurement obligations are taken from Eagle Eye Subscription Service, FPDS data.

³ "The New Face of Purchasing," *The Economist*, April 2005.

trained, and groomed for the leadership positions of today and tomorrow. This workforce cannot be “built” with a contracting curriculum alone, but must come from more sophisticated recruitment and development techniques, such as intern programs with rotational functional assignments and industry-government exchange programs. To attract the best and brightest, agency planners need to recognize that *contracting professionals need to be on a track from business advisor to acquisition professional to management executive within their agencies*. To function as key figures in their agencies, the acquisition leaders of tomorrow must be able to think and behave strategically and connect their activities to agency goals and objectives. That ability is supported by acumen in areas such as:



- **Business and organizational savvy:** In addition to the standard contracting official's professional development, the acquisition professional of the future must have the following key skills: good interpersonal communication, customer focus, decision-making ability, analytical and negotiation skills, conflict-resolution skills, flexibility, problem-solving skills, the ability to influence and persuade, and computer literacy. They must be accomplished at articulating and conveying personal and organizational values and skilled in organizational politics, networking, and follow-through as aids to “getting things done” effectively, efficiently, and with business acumen. While these “soft” skills often are overlooked in traditional acquisition training programs, they have a significant impact for success.
- **Market expertise:** As acquisition professionals become more like partners in achieving the agency's strategic objectives, they will benefit by developing greater market expertise to establish benchmarks for performance, build supplier relationships, and incorporate new technological developments more easily that solve the agency's problems.
- **Understanding economics and market forces:** From the perspective of the acquisition professional, economics is not just an “ivory tower” concept, but an element affecting contract negotiations and supplier relationships. Understanding market forces allows the business advisor to optimize market conditions and understand the supplier's need to meet a certain return on investment. This awareness provides a lens through which to view possibilities for constructing a win-win partnership.
- **Commodity or service area focus:** As industry has done for years, federal acquisition professionals increasingly must learn about and specialize in their customers' products and service needs: What is the reason for the acquisition? What mission must it fulfill? What companies operate the commodities involved? What is the future of the underlying technologies? What is the commercial marketplace for similar commodities? Not only will their in-depth commodity focus help them gain an enhanced understanding of the customers' needs, it also will help ensure a supplier base for future acquisitions and quality industry partnerships.
- **Comfort with technology:** Acquisition professionals will find that technology not only is a central feature in meeting the specific needs of their agencies' missions, but also is a tool to enable the sharing of information, as well as more efficient work processes. But technology is only an enabler. Acquisition professionals need to embrace the capture and reuse of knowledge to shorten learning curves and improve performance. Work processes first must be streamlined from an operational perspective, reducing labor-intensive activities and resulting in more efficient flow of information, decisions, and controls and enhancing overall results. Understanding and planning for technology is increasingly important in implementing commercial systems across functional processes, where acquisition professionals must play vitally needed leadership roles.

As contracting professionals transition to a business advisor role for their respective agencies, they should broaden their standard professional development with a more strategic focus. They no longer are just fulfilling orders from their customers. They need an enterprise view. Finally, their perspective should be that of a more strategic partner with the agency's other senior executives, to anticipate and prepare for changes in the marketplace and technological world.

It should be a goal to develop this business advisor expertise through all intern, exchange, training, human capital planning, or other initiatives to improve the 1102 workforce.

IV. **RECOMMENDED GUIDING PRINCIPLES:** The Procurement Round Table offers five core principles that should guide improvements in contracting workforce recruitment and retention:

- A. It fosters the business advisor attributes described above.
- B. It offers a clear and inviting path for quality college graduates to enter and rise to *leadership positions within agencies*.
- C. It bases requirements for entry on academic and performance merit.
- D. It offers ample opportunity for structured training and enriching assignments broader than the instant job; it avoids stove-piping the procurement part of the acquisition function.
- E. It values the sharing of knowledge and experience with the private sector to bring insight and business acumen to the federal acquisition practice.

V. **RECOMMENDED LEGISLATIVE INITIATIVES:** The Procurement Round Table recommends the following six initiatives for legislation to promote more successful recruitment and retention of the right talent for the 1102 contracting profession:

- A. *Establish and promote government-wide acquisition intern programs modeled after existing successful programs that address the vision for the 1102 of the future.*

A model for such a program should incorporate features from successful programs such as the Department of Navy's intern program, the Air Force Copper Cap program, and the Department of the Interior's Acquisition Management Intern Program. We recommend that this program be sponsored by the Office of Federal Procurement Policy and be designed along the lines of the strawman program described in Attachment A to this paper. The key features of these programs that are fundamental for success are:

- 1. Central responsibility and accountability
- 2. Top management support from the agencies that sponsor *and use* the programs
- 3. Adequate and stable funding
- 4. A central and specific intern management unit in both the sponsoring agency and the receiving agency responsible along with the individual interns for their success during their internship periods.
- 5. The Federal Career Intern Program⁴ as a recruitment source
- 6. Rotational assignments in other functional areas (e.g., budget, program evaluation, major contract-supported programs)

⁴ The Federal Career Intern Program is designed to help agencies recruit and attract exceptional individuals into a variety of occupations. It was created under [Executive Order 13162](#), and is intended for positions at grade levels GS-5, 7, and 9. In general, individuals are appointed to a 2-year internship. Upon successful completion of the internships, the interns may be eligible for permanent placement within an agency.

7. Rotational assignments to multiple agency contracting, information technology, and program offices
8. Exchange programs such as the Defense Procurement and Acquisition Policy's Acquisition Exchange Program (AEP)⁵

B. Emphasize contracting careers within the Presidential Management Fellows (PMF) program.

In the words of President George W. Bush, "The purpose of the Program is to attract to the Federal service outstanding men and women from a variety of academic disciplines and career paths who have a clear interest in, and commitment to, excellence in the leadership and management of public policies and programs."

What could be more germane to leadership and the management of public policies and programs than the contracting profession, through which anywhere from 25 percent to 95 percent of agency discretionary budgets are spent? Yet, a review of the current 41 postings for rotational assignments within the PMF program revealed not a single one for acquisition or contracting.⁶

The PMF program could better serve the public interest by highlighting opportunities for assignments in contracting.

C. Enact a broad government-industry exchange program.⁷

We recommend establishing an acquisition professional government-industry exchange program that includes exceptional 1102 performers at the GS-11 level or above and mirrors the following information technology exchange program of the 2002 E-Gov Act⁸ features:

- 20 percent of the assignments must be made with small businesses
- Details ethics, communications, and disclosure provisions
- Allows assignments to occur for five years following the date of enactment.

D. Establish an Acquisition Fellowship Program that provides full scholarship opportunities for graduate studies in fields related to acquisition.

The federal government should establish a graduate fellowship program that provides full funding for tuition, room and board, and a stipend for outstanding students and young professionals who have a commitment to government contracting and acquisition.⁹ The Acquisition Fellowship Program would develop into a source of

⁵ AEP accepts applications from individuals in the acquisition community interested in gaining insight and hands-on experience relative to the development and implementation of Department of Defense (DoD)-wide acquisition policy issues. Successful candidates work on one of six projects designed to enhance their acquisition and policymaking skills, develop their managerial and leadership skills, and prepare them for future challenging positions within the acquisition community.

⁶ As posted to <http://www.pmf.opm.gov/rotatop.asp> on February 4, 2006.

⁷ A government-industry exchange program has been introduced as section 101 of Title I of the Acquisition Systems Improvement Act (ASIA) (H.R. 2067). The bill was introduced on May 4, 2005, and referred to the House Committees on Government Reform and Armed Services. No action has been taken on the bill to date.

⁸ Section 209 of the E-Government Act of 2002 (P.L. 107-347); the Office of Personnel Management issued final rules implementing this program on August 15, 2005 (See 70 F.R.47711), available at <http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-16092.pdf>.

⁹ This fellowship program could be modeled after the Department of State's Thomas R. Pickering Fellowship. The goal of the Pickering Fellowship is to attract outstanding students from all ethnic, racial, and social backgrounds who have an interest in pursuing a Foreign Service career in the U.S. Department of State. The program is a source of trained men and women from academic disciplines representing the skill needs of the department, who are dedicated to representing America's interests abroad. More information can be found at http://www.woodrow.org/public-policy/graduate_description.html.

well-trained, committed acquisition professionals. In exchange for the fellowship, recipients who successfully complete the program would be required to work within the acquisition sector of the federal government for a period of three years, including at least one year in a contracting office. Candidates who do not complete the program successfully, or do not fulfill the work requirements, would be obligated to reimburse the funding institution.

E. Require agency chief acquisition officers (CAOs) to create and follow an Acquisition Human Capital Strategic Plan.

Agency CAOs should be required to develop, in consultation with their agency chief human resource officers, a strategic plan for the recruitment, development, and retention of the acquisition workforce, focusing on 1102 contracting professionals. The plan should incorporate actions that address the following:

1. Support for and recruitment from the Federal Career Intern Program
2. Support for and recruitment from the Presidential Management Fellows program
3. Support for and recruitment from procurement intern programs
4. Development of the workforce consistent with the vision for the 1102 of the future
5. Development of strategies to retain high performers with critical skills

Results should be tracked through the organization's balanced scorecard or other method for measuring results.

F. Require the establishment of a new senior executive level position in the Office of Federal Procurement Policy with authority to manage this initiative, including authority over the Acquisition Workforce Training Fund (AWTF) provided under the 2004 National Defense Authorization Act.¹⁰

There should be a senior executive level position with responsibility to help ensure optimal management and use of the AWTF toward the goals of recruiting, training, and retaining the future top tier of contracting professionals in accordance with the vision reflected herein for the 1102 of the future.

VI. SUMMARY: The acquisition workforce crisis is here, particularly in the 1102 contracting series. While there are many fine contracting professionals among us, the challenges of a dwindling cadre of trained professionals have overwhelmed the piecemeal efforts to date. Federal agencies have not been successful on their own with stemming the decline in the numbers and quality of the workforce. Yet the need for contracting professionals to serve as business advisors and managers, functioning in an integrated fashion within the larger acquisition community, is greater than ever. Not only has acquisition become a larger proportion of agency budgets, but programs and the acquisition skill needed to support them have increased in complexity.

Now is the time for leadership at the congressional level to enact legislation to support attracting and retaining the right talent for the federal 1102 contracting workforce.

Attachment

¹⁰ National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136), which includes the provisions of the Services Acquisition Reform Act. Section 1412 establishes the Acquisition Workforce Training Fund, which is managed by the Federal Acquisition Institute and financed by deposits of 5 percent of the fees collected by non-Department of Defense executive agencies under government-wide contracts. Section 821 of the fiscal year 2006 National Defense Authorization Act (P.L. 109-163) reversed a provision in section 1412 and now includes the Defense Department as a full partner in the Acquisition Workforce Training Fund, including contributing fees.

**STRAWMAN
GOVERNMENT-WIDE INTERN PROGRAM PROPOSAL**

There appears to be general agreement that the quality and competence of the acquisition workforce must be substantially upgraded to enable the federal government to carry out its key missions through the procurement process. However, while this conclusion has been discussed for a number of years, most federal agencies do not seem to have taken significant steps to address this issue. It is the conclusion of the Procurement Round Table that a government-wide program, centrally administered and with adequate, stable funding, may be the only way to accomplish the necessary improvements to the acquisition workforce.

The immediate goal of a government-wide program should be to bring highly qualified college graduates into the government and to ensure they are treated in a manner that induces them to remain in the government for a significant number of years. These people would be explicitly groomed to follow a fast track to the top of the procurement profession. The long-term goal would be to create a cadre of highly qualified people who would serve as business managers of major government acquisition programs, such as weapon systems, information technology systems, and other complex mission-critical programs. This cadre would have the business acumen described in the Procurement Round Table's vision for the 1102 of the future.

Administration

The proposed program would be administered by the Office of Federal Procurement Policy. It would assign one full-time staff member as an assistant administrator to establish and administer the program. That person, in coordination with the Office of Personnel Management and agency procurement officials, would select the recruits for the program and oversee their training and progress after they were assigned to agencies. The assistant administrator would have the authority to withdraw any recruit from an agency if the assignment was not providing the type of challenging experience that had been offered.

The program would be overseen by a committee of seven high-ranking procurement officials from different agencies with significant acquisition programs. The members of this committee could assign staff from their agencies to assist in the running of the program as necessary.

Recruitment

Between 100 and 200 college graduates would be brought into the program each year. They would be selected using a rigorous written examination plus a personal interview. The written exam would ensure they were intellectually competent, and the interview would ensure they had the necessary personal qualities to become effective business managers of major programs.

All college graduates would be eligible for admission to the program. However, any graduate without the necessary 24 credit hours in business-related courses would be required to commit to meet that requirement within three years of admission to the program by taking courses at an accredited institution on his or her own time.

The recruits would be placed in a two-phase, four-year development and training program. Phase I would be a one-year preparatory program. Phase II would be a three-year on-the-job training and development program. Throughout this period the recruits would be probationary employees without civil service protection. During assignments to agencies they would not count against agency staffing limitations. At the end of the four-year program, selected trainees would receive permanent employee status and could choose to accept a position with any agency that offers a job.

Phase I – Preparation

The recruits would be placed in a one-year training program. The first three months of Phase I would consist of lectures and seminars with top officials from various government agencies, Congress, industry, and academia discussing the different aspects of the acquisition process. The topics would be broad—covering such issues as ethics, the organization of the federal government, the structure of federal law and regulation, the executive rule-making process, the organization and content of the Federal Acquisition Regulation, fiscal law and budgeting and appropriation procedures, oversight by Congress, the Government Accountability Office and inspectors general, program management, personnel and labor policies, and business practices in the commercial world.

During the following nine months of Phase I, the recruits would rotate through one-month assignments to different agencies for the purpose of becoming familiar with the functions that comprise the full acquisition cycle. The assignments would be in contracting offices and a minimum of two other offices with work related to the acquisition process (such as a budget, finance, planning, or program office). Assignments would include congressional committees and companies with government contracts. Assignments of longer than one month (but no longer than two months) would be permitted when beneficial.

Throughout Phase I the recruits would participate in a structured reading program. At the end of Phase I each recruit would have to submit a paper on an acquisition-related topic to demonstrate thinking and writing ability, take a written examination, and submit to a personal interview. Advancement to Phase II would depend on the acceptability of the recruit's performance of those tasks.

Phase II – On-the-Job Training and Development

Toward the end of Phase I, agencies would be permitted to offer on-the-job GS-1102 training and development assignments to the recruits. To make such an offer, the agency would have to agree to provide a mentor for each recruit and to give the recruit challenging assignments (short-term assignments in routine jobs would be permitted for training purposes). Mentors would be chosen by the agency and approved by the Office of Federal Procurement Policy on the basis of education, experience, and suitability. Both the recruit and the mentor would be required to submit a quarterly report to the Office of Federal Procurement Policy assistant administrator discussing the recruit's progress and the effectiveness of the agency's use of the recruit. It would be understood that any recruit could request reassignment if he or she was not being given challenging assignments. An agency could terminate a recruit's assignment at will.

During the three years of Phase II, agencies would assign work of ever-increasing complexity and difficulty to facilitate the recruit's professional development as a GS-1102. Recruits would receive scheduled promotions conditioned on performance and joint approval by the agency and the Office of Federal Procurement Policy. During the final year of Phase II, and conditioned on performance, the recruit would be permitted to participate in industry-government exchange programs.

To graduate from Phase II, recruits would have to be rated highly in each area of business acumen described in the Procurement Round Table's vision for the 1102 of the future. The rating would be given by the Office of Federal Procurement Policy assistant administrator, based on reports from the agencies and industries that participated in the recruit's development.

Graduation and Permanent Employment

Upon successful completion of the program, recruits could accept an offer of employment at an agency of choice, at which time they would achieve permanent employee status.